

§ 1.181-6 Effective/applicability date.

(a) *In general.* Sections 1.181-1 through 1.181-5 apply to productions, the first day of principal photography for which occurs on or after September 29, 2011. For an animated production, this paragraph (a) applies by substituting “in-between animation” in place of “principal photography”. Productions involving both animation and live-action photography may use either standard.

(b) *Application of proposed regulations to pre-effective date productions.* Except as provided in paragraph (c) of this section, an owner may apply 26 CFR 1.181.1T through 1.181-5T (as contained in 26 CFR part 1 revised April 1, 2008) to productions, the first day of principal photography (or in-between animation) for which occurs on or after October 22, 2004, and before February 9, 2007, or on or after January 1, 2009, and before September 29, 2011, provided that the owner applies all provisions of the proposed regulations to the productions.

(c) *Application of §§1.181-1 through 1.181-5 to certain pre-effective date productions.* An owner may apply §§1.181-1 through 1.181-5 to productions, the first day of principal photography (or in-between animation) for which occurs on or after February 9, 2007, and before September 29, 2011, provided that the owner applies all provisions of §§1.181-1 through 1.181-5 to the productions.

[T.D. 9551, 76 FR 60729, Sept. 30, 2011]

§ 1.181-6T Effective/applicability dates (temporary).

(a) *In general.* (1) Except as provided in paragraph (b) of this section, § 1.181-1T applies to productions, the first day of principal photography for which occurs on or after October 18, 2011, and before the date of expiration of section 181 as provided in section 181(f). For an animated production, this paragraph (a) applies by substituting “in-between animation” in place of “principal photography.” Productions involving both animation and live-action photography may use either standard.

(2) The applicability of § 1.181-1T expires on October 17, 2014.

(b) *Application of temporary regulations to pre-effective date productions.* An owner may apply § 1.181-1T to produc-

tions, the first day of principal photography (or “in-between” animation) for which occurs after December 31, 2007, and before October 18, 2011, provided that the taxpayer applies all provisions in § 1.181-1T and in §§1.181-1 through 1.181-5 (other than provisions specific to pre-amendment productions) to the productions. If a taxpayer does not choose to apply § 1.181-1T to a production, the first day of principal photography (or “in-between” animation) for which occurs after December 31, 2007, and before October 18, 2011, then the taxpayer must use a reasonable method to take into account the statutory change to section 181 under section 502 of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008. See § 1.181-6

[T.D. 9552, 76 FR 64818, Oct. 19, 2011]

§ 1.182-1 Expenditures by farmers for clearing land; in general.

Under section 182, a taxpayer engaged in the business of farming may elect, in the manner provided in § 1.182-6, to deduct certain expenditures paid or incurred by him in any taxable year beginning after December 31, 1962, in the clearing of land. The expenditures to which the election applies are all expenditures paid or incurred during the taxable year in clearing land for the purpose of making the “land suitable for use in farming” (as defined in § 1.182-4) which are not otherwise deductible (exclusive of expenditures for or in connection with depreciable items referred to in paragraph (b)(1) of § 1.182-3), but only if such expenditures are made in furtherance of the taxpayer’s business of farming. The term *expenditures* to which the election applies also includes a reasonable allowance for depreciation (not otherwise allowable) on equipment used in the clearing of land provided such equipment, if used in the carrying on of a trade or business, would be subject to the allowance for depreciation under section 167. (See paragraph (c) of § 1.182-3.) (See section 175 and the regulations thereunder for deductibility of certain expenditures for treatment or moving of earth by a farmer where the land already qualifies as land used in farming as defined in § 1.175-4.) The amount deductible for any taxable year